Anglin-Norcross Corporation Limited

and Subsidiary Companies

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS
FOR THE PERIOD ENDING DECEMBER 31ST, 1940.

Your Directors submit herewith a Consolidated Balance Sheet showing the condition of the Company at the close of our fiscal period ending December 31st, 1940.

In order to more readily conform with calendar year report requirements of the Government, your Directors have voted to end our fiscal year on December 31st in place of February 28th and consequently this report covers a ten-month period only.

Adequate provision has been made for depreciation, contingencies and doubtful debts, also allowance for taxes.

Your Directors are pleased to report a satisfactory improvement in net earnings for the ten-month period over those of the previous year in spite of greatly increased taxes.

Your Company has benefited by the increased building construction necessitated by war requirements and performed a much larger volume of work than for many previous years and the best endeavours of your Organization to ensure economy, speed and good workmanship has, we feel, been appreciated by our clients, both public and private.

It is problematical as to what extent conditions will affect our 1941 business, however, a fair volume of uncompleted contracts is carried forward into this year.

Our investments show a satisfactory return and our liquid position has been well maintained.

The Directors of your Company wish to express appreciation to the staff for their loyal and efficient services during the past year.

Respectfully submitted on behalf of the Directors,

HENRY J. GROSS,

PRESIDENT.

MONTREAL, MARCH 31ST, 1941.

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Consolidated

Ten-month Period to

Assets

CURRENT ASSETS:			
Cash in Banks		$ 67,712.73	
Bonds and Investments (Market Value $533,959.84)		524,253.03	
Accounts Receivable		1,436,613.18	
Mortgages Receivable		3,776.64	
TOTAL CURRENT ASSETS			$2,032,355.58
Material and Perishable Tool Inventories, at the Lower of Cost or Market		$ 43,490.86	
Less: Depreciation Reserve		24,436.92	19,053.94
FIXED ASSETS:			
Machinery, Tools and Equipment, at Cost		$ 353,718.92	
Office Building, Mile End Plant and Iberville Granite Cutting Works, at Cost	$170,386.20		
Properties—Montreal and Toronto	40,939.00	211,325.20	
		$ 565,044.12	
Less: Depreciation Reserve		311,314.85	253,729.27
			$2,305,138.79

We have audited the Books and Accounts of ANGLIN-NORCROSS CORPORATION LIMITED, and its subsidiaries, Anglin-Norcross Quebec Limited, Anglin-Norcross Ontario Limited, National Granite Works Limited, Anglin-Norcross Maritime Limited and Rosslin Improvement Company Limited, for the ten months to December 31st, 1940.

We have verified the Securities and the Revenue therefrom. The usual Depreciation has been provided on Plant and Equipment, except in the case of the National Granite Works Limited, where the Depreciation was written off on the additions only of Plant and Machinery.

In our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company. All our requirements as Auditors have been complied with.

WILSON, BIRNIE & SEYMOUR,
Chartered Accountants.

MONTREAL, FEBRUARY 6TH, 1941.

Approved— { HENRY J. GROSS, C. D. HARRINGTON } Directors.

Balance Sheet

December 31st, 1940

Liabilities

CURRENT LIABILITIES:			
Accounts and Bills Payable		$1,140,150.80	
Reserve for Income and Estimated Excess Profits Taxes		35,040.03	
Dividends Payable		118.50	
TOTAL CURRENT LIABILITIES			$1,175,309.33
RESERVES:			
Contingencies		$ 24,221.84	
Investments		75,760.31	
General Reserve		118,662.63	
			218,644.78
CAPITAL STOCK:			
Preferred, 5% Redeemable, Non Cumulative			
Authorized and Issued	65,600 Shares	$ 656,000.00	
Less: Redeemed	9,278 Shares	92,780.00	
	56,322 Shares	$ 563,220.00	
Common, No Par Value			
Authorized	10,000 Shares		
Issued	6,560 Shares	32,800.00	
			596,020.00
CAPITAL SURPLUS			92,780.00
SURPLUS—EARNED			222,384.68
			$2,305,138.79

SURPLUS—EARNED

Profit on Completed Contracts after Providing for all Operating Expenses and Depreciation of $11,379.82 together with Income from Investments of $22,169.15 for the period to December 31st, 1940			$ 109,165.81
DEDUCT:			
Directors Fees		$ 2,600.03	
Executive Salaries		21,000.00	
Legal Fees		61.06	
Provision for Income and Excess Profits Taxes		37,103.59	
			60,764.68
Net Profit for Ten Months to December 31st, 1940			$ 48,401.13
Surplus, February 29th, 1940		$ 165,940.55	
Add: Surplus, Rosslin Improvement Co. Ltd.		12,597.39	
		$ 178,537.94	
DEDUCT: Income Tax Adjustment	$4,014.39		
Transferred to Capital Surplus	540.00		
		4,554.39	173,983.55
Surplus, December 31st, 1940			$ 222,384.68

Anglin-Norcross Corporation Limited

BOARD OF DIRECTORS

J. P. Anglin	Montreal	P. N. Gross	Toronto
G. W. Birks	Montreal	C. D. Harrington	Montreal
A. L. Bishop	Toronto	W. S. Leslie	Montreal
H. J. Gross	Montreal	G. L. Magann	Toronto

OFFICERS

President	Henry J. Gross
Vice-President and Manager	Conrad D. Harrington
Secretary-Treasurer	George A. Lowles
Assistant Secretary-Treasurer	Thomas A. Gunn

SUBSIDIARY COMPANIES

Anglin-Norcross Quebec Limited	892 Sherbrooke St. W., Montreal
Anglin-Norcross Ontario Limited	57 Bloor Street West, Toronto
Anglin-Norcross Maritime Limited	319 Roy Building, Halifax
National Granite Works Limited	Iberville, Que.
Rosslin Improvement Company Limited	892 Sherbrooke St. W., Montreal